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September 18, 2006

FILED ELECTRONICALLY AND BY FIRST-CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of Acceris Management and Acquisition LLC and First Communications LLC for (i) Authority for First Communications, LLC to Provide Resold Interexchange Telecommunications Services throughout the State of South Carolina and (ii) Approval of the Transfer of Assets, including Customers, of Acceris Management and Acquisition LLC to First Communications, LLC
Docket No. 2006-234-C, Our File No. 1202-11380

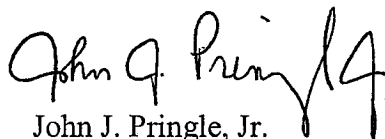
Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Direct Testimony of Mary Cegelski** filed on behalf of Acceris Management and Acquisition LLC and First Communications, LLC in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Wendy Cartledge, Esquire
Ms. Mary Cegelski
Drew S. Backstrand, Esquire
Katherine E. Barker Marshall, Esquire
Enclosures

THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET No. 2006-234-C**

In Re Application of)
)
Application of Acceris)
Management and Acquisition LLC)
and First Communications, LLC)
for (i) Authority for)
First Communications, LLC to)
Provide Resold Interexchange)
Telecommunications Services)
throughout the State of South)
Carolina and (ii) Approval of the)
Transfer of Assets Including)
Customers, of Acceris)
Management and Acquisition, LLC)
to First Communications, LLC)

Direct Testimony of Mary Cegelski

1 **Q. Please state your name, business address and title.**

2 A. My name is Mary Cegelski, and my business address is 15166 Neo Parkway
3 Garfield Heights, OH 44128. My title is Regulatory Manager: Carrier Relations at First
4 Communications, LLC ("First Communications").

5 **Q. Please state your qualifications.**

6 A. I am currently Manager of Regulatory Affairs: Carrier Relations for First
7 Communications, LLC and responsible for managing federal and state regulatory matters.
8 I am also the liaison between First Communications and the various vendors with whom
9 we choose to do business. I have been with First Communications for three (3) years.
10 Prior to joining First Communications, I served as a Senior Technical Consultant to
11 Hewlett-Packard for the Qwest ROC 271 test project, which required extensive
12 interaction between 13 state Public Utilities Commissions, Qwest and its test

1 administrator. I have also served as the Carrier Relations Manager for CoreComm,
2 where I represented CoreComm at SBC/Ameritech collaborative meetings regarding
3 CMP, CUF, Plan of Record, Advance Services, Performance Measures, OSS and Third
4 Party Master Test Plan (271), in addition to providing testimony to the State Utility
5 Commissions in arbitration proceedings. I have also served as a Total Quality Specialist
6 for ICG Netcom, a Customer Support Specialist for Telsource Corporation and as
7 Manager: Payphone Support for PhoneTel Technologies, Inc. I hold a
8 Telecommunication Certification from the University of St. Mary in Minnesota and have
9 attended numerous seminars related to the telecommunications industry over the span of
10 my eighteen (18) year career in the telecommunications field.

11 **Q. What is the purpose of your testimony?**

12 A. The purpose of my testimony is to present evidence describing the technical, managerial,
13 and financial fitness of First Communications to provide interexchange
14 telecommunications services within the State of South Carolina and to support the joint
15 application of First Communications and Acceris Management and Acquisition, LLC
16 ("Acceris") for a transfer of assets, including customers from Acceris to First
17 Communications. This testimony will also describe the services to be provided by First
18 Communications in its proposed tariff. Finally, my testimony will show that the public
19 interest will be served by the approval of this Joint Application.

20 **Q. Are all of the statements in Joint Application correct and true to the best of your**
21 **knowledge, information and belief?**

22 A. Yes.

1 **Q. Do you wish to incorporate by reference any documents into this testimony?**

2 A. Yes. I wish to incorporate, by reference, the underlying Application filed in this
3 proceeding and its associated exhibits.

4 **Q. Do you ratify and confirm the statements and representations made in that**
5 **Application and all Exhibits attached thereto?**

6 A. Yes.

7 **Q. Has Applicant registered to do business in South Carolina?**

8 A. Yes. Applicant received foreign corporation authority in South Carolina on August 7,
9 2006. A copy was attached to the Application as *Exhibit B*.

10 **Q. Please describe the current corporate structure of First Communications.**

11 A. First Communications is a limited liability company formed on July 1, 1998. McKinley
12 Communications, LLC holds a 51% ownership interest in First Communications, First
13 Energy Corp. holds a 32% interest in First Communications and Boich Investment
14 Group, Ltd. holds a 17% interest in First Communications. No other entity holds a 10%
15 or greater ownership interest in First Communications.

16 **Q. Does First Communications have the requisite managerial, technical and financial**
17 **abilities to provide service for which it has applied?**

18 A. Yes.

19 **Q. Please describe First Communications' financial qualifications.**

20 A. Applicant will have access to adequate funds for its operations.

1 **Q. Please describe the technical and managerial qualifications of First**

2 **Communications.**

3 A. First Communications' management team includes individuals with substantive
4 experience in successfully developing and operating telecommunications businesses.
5 Consequently, the Company has the adequate internal technical resources to support its
6 South Carolina operations. This expertise in the telecommunications industry makes
7 Applicant's management team well-qualified to operate its interexchange operations in
8 South Carolina. Specific details of the business and technical experience of First
9 Communications' officers and management personnel were attached to the Application as
10 *Exhibit C*, which also contained biographies and a brief description of the business
11 experiences of key management personnel who will be responsible for First
12 Communications' telecommunications services in South Carolina and throughout the
13 United States. In addition, First Communications is staffed and managed by other
14 individuals in its Provisioning, Customer Care, Network, and Engineering Departments
15 who collectively have over three hundred (300) years of experience in the
16 telecommunications field. This extensive experience enhances the ability for First
17 Communications to offer its resold interexchange services.

18 **Q. What services will First Communications offer?**

19 A. First Communications has submitted its proposed tariff, outlining its rates, terms and
20 conditions for resold interexchange telecommunications services to Business customers.
21 This tariff includes the same Business services, rates, terms and conditions as the existing
22 Acceris tariff. Thus, the Business customers being transferred from Acceris to First

1 Communications will not experience any change in their telecommunications services.

2 The only change will be the new service provider: First Communications.

3 **Q. Does First Communications intend to offer prepaid debit card services in South**
4 **Carolina?**

5 A. Not at this time. First Communications is aware of this Commission's \$5,000 bond or
6 certificate of deposit requirement associated with prepaid debit card services, and will file
7 such an instrument with the Commission should First Communications decide to offer
8 these services.

9 **Q. How will First Communications bill for its services?**

10 A. First Communications will bill all of its end-user customers directly. First
11 Communications does not intend to utilize a billing agent in issuing bills for services
12 rendered to end users. First Communications will not use a "billing clearinghouse" or
13 other outside entity to issue bills to its customers. All bills sent to end-user customers
14 will bear the First Communications name and provide a toll-free number for customer
15 inquiries and complaints.

16 **Q. How are trouble reports and customer complaints handled?**

17 A. First Communications has a toll-free number available for its customers to contact the
18 company with billing and service related issues: 1-800-274-1015. Customers may
19 contact the company with billing related issues between the hours of 8AM - 10PM EST
20 (Monday to Friday) and 8AM – 5PM EST (Saturday and Sunday) by using the toll free
21 number noted above or by writing to First Communications, LLC, 3340 W. Market
22 Street, Akron, OH 44333.

1 **Q. Does First Communications have offices in South Carolina?**

2 A. First Communications does not intend to have offices in South Carolina at this time.

3 Accordingly, First Communications requests, pursuant to Rule 103-610, that the
4 Commission allow it to keep all applicable books and records at its offices in Ohio.
5 Should the Commission or ORS desire to inspect such books and records, First
6 Communications will provide the same expeditiously at its own expense.

7 **Q. Does First Communications intend to publish telephone directories or file an**
8 **operating area map with the Commission?**

9 A. No. First Communications only seeks to offer interexchange services, and the customer's
10 local exchange carrier holds the obligation under Commission Rule 103-631 to provide
11 customers' information as applicable and appropriate with the existing directory
12 publishers. Because First Communications will operate as an interexchange carrier on a
13 statewide basis, First Communications requests that it not be required to create and file
14 any such operating area map as required by Commission Rule.

15 **Q. By what method will the Company keep its financial records?**

16 A. First Communications uses Generally Accepted Accounting Principles ("GAAP"). To
17 the extent that the Rules of the Commission require the use of the Uniform System of
18 Accounts ("USOA"), First Communications requests a waiver in order that GAAP be
19 allowed.

20 **Q. How will First Communications market its services?**

21 A. First Communications at this time has no plans to conduct marketing campaigns or
22 advertising directed towards South Carolina customers, but rather plans to focus on
23 serving the business customers acquired from Acceris. Accordingly, there are no current

1 marketing materials applicable to First Communications' proposed South Carolina
2 operations. First Communications, as a policy, does not engage in multilevel marketing.
3 First Communications plans to offer services to business customers only, but may, in the
4 future, offer services to residential customers as well.

5 **Q. Please describe the proposed tariffs filed by First Communications.**

6 A. First Communications included a proposed tariff for its services as *Exhibit E* to the
7 Application, which contains the rules, regulations and rates for its service, which mirrors
8 the rates, terms and conditions that Acceris currently has on file. First Communications
9 proposes to offer resold interexchange services to enterprise customers. I believe that
10 First Communications' tariff will comport with all applicable Commission Rules and
11 Orders, and First Communications agrees to make all changes suggested by the ORS
12 necessary to comply with all such applicable authority.

13 **Q. Will the Company provide any equipment or facilities in connection with its**
14 **services?**

15 A. First Communications does not intend to provide any equipment to its customers and
16 plans to offer its services on a resale basis.

17 **Q. Will granting a Certificate serve the public interest of South Carolina consumers?**

18 A. A decision by the Commission to grant First Communications authority to provide
19 interexchange telecommunications services is in the public interest. First
20 Communications is well qualified to operate as such a service provider in South Carolina.
21 Consumers of telecommunications services in South Carolina will receive the benefits of
22 downward pressure on prices, increased choice, improved quality of service and customer
23 responsiveness, innovative service offerings, and access to increasingly advanced

1 telecommunications technology. The market incentives for new and existing providers of
2 telecommunications services will be improved through an increase in the diversity of
3 suppliers and competition within the interexchange telecommunications market.
4 Granting First Communications' Application would enhance the development of
5 competition in the interexchange markets and provide the consumers of South Carolina
6 with all of the benefits described above. Granting the Application for Asset Transfer will
7 also enhance competition within the State of South Carolina. Acceris intends to continue
8 to offer telecommunications services within the State of South Carolina. Thus, the net
9 effect of the transaction is the addition of another carrier to the South Carolina
10 marketplace.

11 **Q. Will First Communications offer service in areas served by rural**
12 **telecommunications providers or independent telecommunications providers?**

13 A. First Communications is requesting authority to provide its resold interexchange
14 telecommunications services in all areas on the state.

15 **Q. Is First Communications authorized to provide service in other states?**

16 A. Yes, First Communications is currently authorized to provide intrastate long distance
17 telecommunications services in California, Colorado, Florida, Kentucky, Idaho, Maine,
18 Maryland, Massachusetts, Minnesota, Montana, New Mexico, North Carolina, Rhode
19 Island, Texas, and Washington. First Communications is authorized to provide intrastate
20 long distance and competitive local exchange telecommunications services in Illinois,
21 Indiana, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin. The
22 Company has not been denied a request for certification to provide telecommunications
23 services by any jurisdictional authority.

1 **Q. Who is knowledgeable about First Communications' operations and will serve as**
2 **the Commission's/ORS's regulatory and customer service contact?**

3 A. All ongoing compliance matters should be directed to my attention. All correspondence,
4 notices, inquiries and orders relating to consumer issues, billing issues, technical service
5 quality issues, and customer complaint issues should be sent to my attention at: 15166
6 Neo Parkway, Garfield Heights, OH 44128. My telephone number is (216) 468-1614,
7 and facsimile number is (216) 468-1680. My E-mail address is:
8 mcegelski@firstcomm.com.

9 **Q. What regulatory treatment has First Communications sought in connection with**
10 **this Docket?**

11 A. First Communications requests that its business service offerings be regulated in
12 accordance with the principles and procedures established for alternative regulation in
13 Orders Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Order No.
14 2001-997 in Docket No. 2000-407-C.

15 **Q. Will First Communications comply with all of the applicable rules, regulations and**
16 **orders of the Commission?**

17 A. Yes.

18 **Q. Does this conclude your testimony?**

19 A. Yes.